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Your guide to hiring





How to hire employees

Hiring help can improve your business, and your lifestyle. But it's a big process. Here's what to do and when to do it.

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1

Pages 1-2

Know your employer responsibilities

2

Pages 3-4

Register as an employer

3

Pages 5-7

Write a job description and promote it

4

Pages 8-10

The recruitment process

5

Pages 11-15

Employee onboarding

6

Pages 16-18

Run payroll for your employees

7

Pages 19-22

Manage employee evaluations

8

Pages 23-24

Where to next? Tools and guides for your business

1

**Know your employer
responsibilities**

Know your employer responsibilities

A good reputation for your business should be based not just on customers' experiences but also those of employees. You have an employer's duty of care to your employees. Take time to get familiar with your employer responsibilities before you start the hiring process. Then you can be the best boss out there.

Act in good faith and treat employees fairly

Allow employees to raise concerns and respond to them immediately. If you have an issue with an employee, discuss it with them as soon as possible and clarify any uncertainties.

Pay employees on time

Perhaps the biggest of your employment responsibilities is on pay day. Pay employees the right amount, on the day and frequency stated in the agreement. Use the method of payment you agreed on.

Deduct the correct amounts

Deduct the correct amounts for income tax and pension. Be sure to deduct the right amount for each pay period based on your employee's earnings and tax code.

[Online payroll software](#) can automatically do these calculations for you.

Get leave and public holidays right

Get familiar with the main types of leave:

- Annual leave
- Sick leave
- Bereavement leave
- Parental leave
- Jury duty
- Public holidays

You need to understand the number of days employees are entitled to. Also learn what pay rate is required by law if, for instance, an employee works on a public holiday. It may be different from their normal pay.

Health and safety responsibilities of employers

You are legally required to keep employees healthy and safe at work.

Employer responsibilities include providing:

- a suitable work environment
- safe systems of work
- safe equipment and training for handling risks
- monitoring of your employees' health and safety at work

A health and safety specialist can help create a workplace health and safety plan for your business.

Protect the privacy of your employees

You must ask for each employee's permission to keep sensitive data. Keep that information safe and secure and avoid passing it onto unauthorised people. You must give them a copy of the information you hold about them if they ask.



2

**Register as an
employer**

Register as an employer

Once you've got an idea of the type of position you're looking to fill, and have an understanding of your responsibilities, it's time to register yourself as an employer. This may take time, so start the process as early as possible.

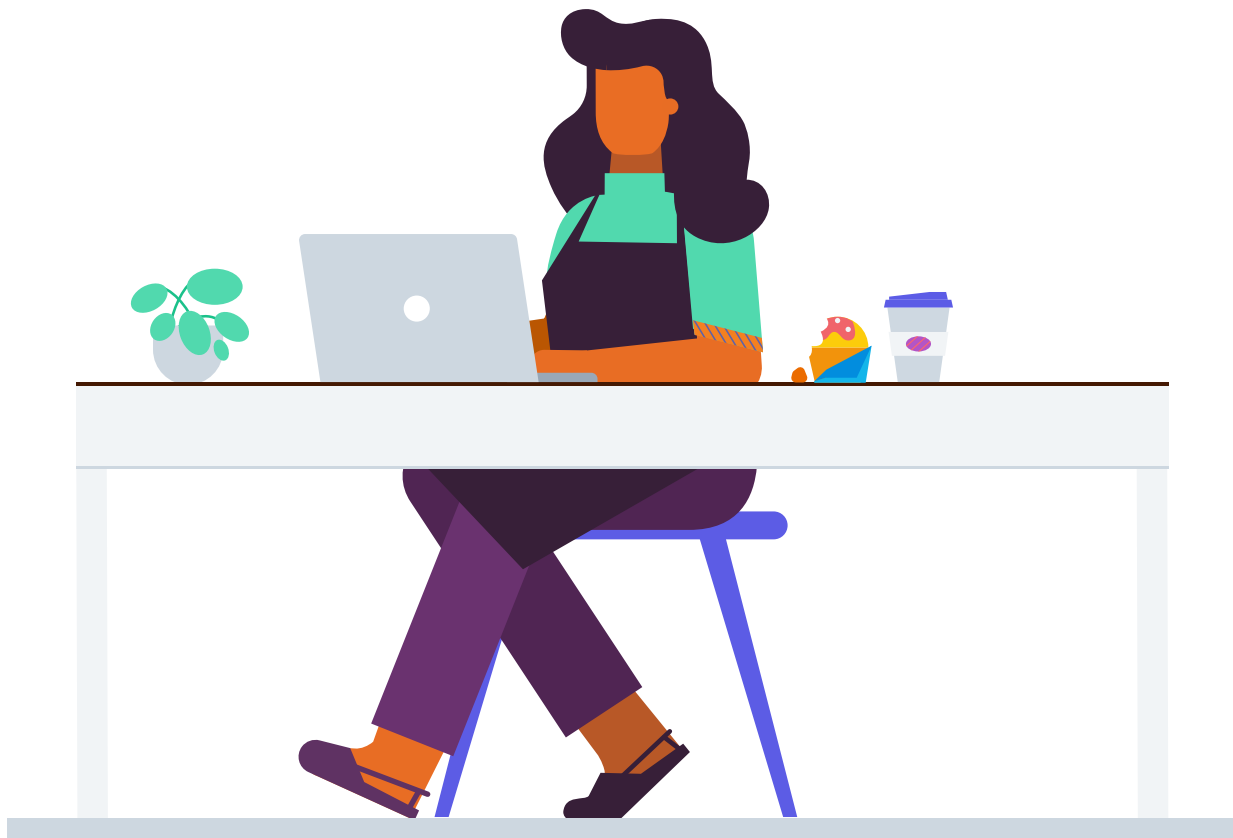
Here's what you need to do:

- [Register online](#) with HMRC to get your employer pay-as-you-earn (PAYE) reference number – this can take up to five days.
- Make sure to register at least two weeks before you start paying your employees, but not too far out as you can't register more than two months before the first payday.

Understand employment law

The entire employment process is governed by certain laws, so understand them before you begin hiring. Speak with an employment lawyer for specific advice or check a government site to learn more about employment laws and how to comply with them.

The gov.uk page on [employing people](#) has some helpful guides on workplace laws.



3

**How to write a
job description
and promote it**

How to write a job description and promote it

Hiring is a lot like matchmaking. You're searching for the ideal employee, but job seekers are also looking for the right employer, job and workplace for them. To find the perfect fit, you need to know how to write a job description that stands out from the crowd.

Anatomy of a job description

Let's say there's a cake shop, Custom Delights, which bakes made-to-order cakes for any occasion. The business is growing and they've decided to hire a cake decorator to help out with designing their cakes.

Here's how they might write a job description:

ACME Jobs | Job search | Profile | Career advice

Cake Decorator

Custom Delights

Do you have an artistic eye and a sweet tooth? Then you might just be the person we're looking for. We're on the hunt for an awesome cake decorator to design our custom cakes.

Who we are
There's nothing sweeter than a cake made especially for you. At Custom Delights, we help bring our customers' cake dreams to life. We bake decadent and delightful made-to-order cakes, satisfying our customers' sweet tooth and unleashing their inner artists.

What you'll do
Channelling your creativity, providing excellent customer service, and going the extra mile will be your daily goal.

Your typical day as our cake decorator will involve:

- talking to clients about cake design ideas and drawing sketches to show them
- preparing different types of icing and decorative elements
- working with airbrush guns, modelling tools, mixers, and other equipment to decorate cakes
- setting up, cleaning, and clearing away baking equipment
- checking stock levels and ordering ingredients

Where you'll fit in
Based in Cool Custom Cakes bake shop at 123 Flour Lane, Butter City

Work hours
30 hours per week
May need to work early morning hours, weekends, and extra hours during busy periods (wedding season, before Christmas and Easter)

Manager	Direct reports
Head Baker	None

What you'll bring with you

- Experience in baking, pastry, or cake decorating
- Creativity and artistic ability
- Attention to detail and a steady hand
- Customer service and people skills
- Basic maths skills for working with weights and measurements
- Colour vision to see different colours and hues when mixing icing and decorating cakes
- Stamina to stand for long periods of time
- Proactive self-starter with the ability to work effectively unsupervised
- Time management skills

Why join us
At Custom Delights, we're a bunch of food lovers who are passionate about bringing joy to our customers through sweet treats. We're a small business that truly values every member of our team. We offer a competitive salary, health and life insurance, and other benefits.

How to apply
Send us an email at jobs@customdelights.com. Put your cover letter in the body of your email and attach your CV. We're keen to hear from you!

Short and simple job title

Catchy info about your business

Main goals of the job, what success looks like, core tasks and responsibilities

Essential info like hours, place of work, and reporting lines

Experience and skills needed, as well as the attitude and character you're looking for

What's in it for potential employees, including perks and benefits

Application details

Include these sections when you write a job description, and you will have everything covered.

Make your job description inclusive

Be inclusive when you write a job description. Use thoughtful language so you don't run the risk of discrimination or breach diversity and equality laws. Think about accessibility for people with disabilities or other health conditions. Consider ways to accommodate those who are caring for a child, a sick or elderly member of their family, or people in similar circumstances.

For more information, visit the gov.uk page on [preventing discrimination during recruitment](#).

10 ideas to promote your job description

After writing a job description, you need to promote it. Get the word out using any of these options:

- 1. Your website**
Post the full job description on your website in a place that's logical and easy to find.
- 2. Referrals from existing employees, business partners, or clients**
Ask your existing employees, business partners, or clients if they know any candidates that might fit the job description. It's even better if they've worked with them: they can provide insights based on those experiences and candidates may come highly recommended.
- 3. Your company's social media accounts**
Write a short job description for your social media accounts with a link to the full version.
- 4. Your personal social media accounts**
You may have someone within your social network who suits the position you're looking for. Post an ad similar to what you've posted on your company's social media accounts but include a personal touch in it.
- 5. Trade and industry associations**
Post jobs in industry journals, trade magazines, or association websites if the job is specific to an industry or requires certain trades or skills.
- 6. Local community groups or business organisations**
Posting jobs in local community group boards or business organisation websites can be a great way to attract top local talent.
- 7. Local government agencies**
Work with a local government agency that helps people who are unemployed find jobs. You can inform them of your vacancies and they can assist you with finding a suitable candidate.
- 8. Universities**
If you're looking for specific degrees or qualifications, posting on university and alumni association job boards is the way to go.
- 9. Job boards**
Job boards usually charge fees, but it might be worth looking into them if you're having trouble finding good candidates through any of the options mentioned above. You might also get a large volume of applications, and it takes time to sort through all of them.
- 10. Recruitment agencies**
Recruitment agencies are an even costlier option than job boards. But if you have the budget, it might be more efficient to outsource the recruitment process to recruiters or agencies

Consider setting up a separate email account for job applications so they don't get mixed up with important business emails. It also makes it easier for you to sort through applications later on. And don't forget to let applicants know that you've received their application – a short reply email will do the trick.

4

The recruitment process

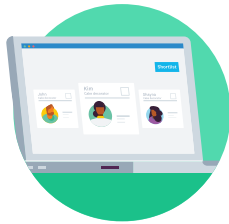
The recruitment process

After writing a job description and promoting it, you will hopefully have a bunch of willing applicants. So how do you sort through them and select the best fit for your business?



1. Create a set of criteria based on your job description

Use the job description to create a list of must-have attributes. Make a second list of nice-to-haves, which can be a tiebreaker when choosing between candidates with similar skills or experience.



2. Create a shortlist

Find the two to three people who measure up best. Keep your shortlist short, or else it will bog down your recruitment process. Send a thank you to those who didn't make the cut.



3. Interview

Decide how long interviews will take, and pick out your questions. Besides asking about skills and experience, you might also ask them:

- why they want the role
- how they like to work
- about their strengths and weaknesses
- how they deal with challenging situations



4. Making your selection

Stick to the job criteria when assessing candidates. Avoid putting too much stock in how you hit it off during the interview. That personal connection is important but it's hard to truly judge character in such a short window of time. Involve other employees or business partners in the recruitment process if they'll be working with the new hire.



5. Check references

Small businesses often overlook this part of the recruitment process, which isn't a good idea. It takes no time to call a past employer and check that your preferred candidate is as good as they say they are. One of the most telling questions you can ask is if they'd hire the person again.

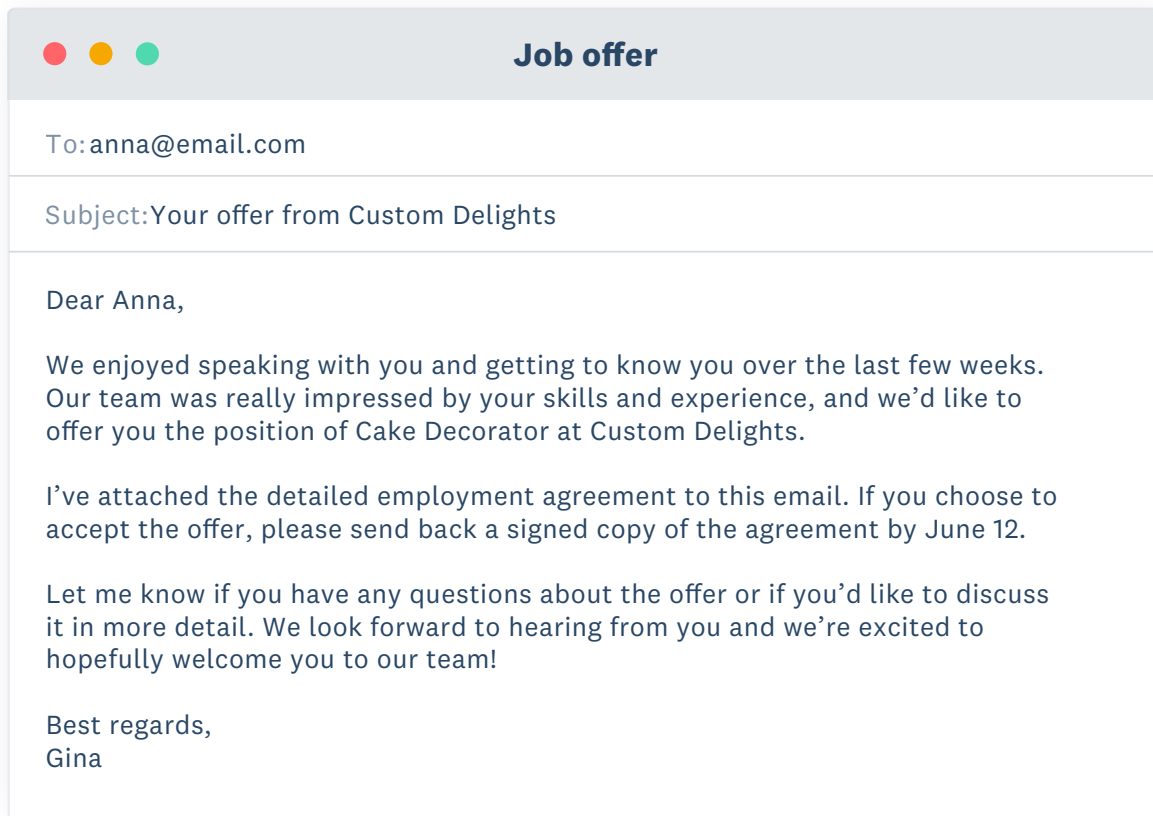


6. Make an offer

Draw up an employment agreement and make an offer that includes:

- employer name
- employee name
- job description
- hours and place of work
- pay
- whether employment is casual, fixed-term, full-time, part-time or permanent
- start date (and end date for fixed-term employment)
- entitlements such as leave and holidays, holiday work pay, and more

Let them know when you'll need their decision, but give them enough time to consider your offer and to seek independent advice about the agreement.



This is not necessarily the end of the recruitment process. Candidates don't always accept the first offer. Be open to a negotiation.

5

**Employee
onboarding**

Employee onboarding

A good employee onboarding process is key to engaging your new hire and getting their commitment from the start. It helps a new employee feel welcome and valued as part of your team.

Employee onboarding is more than just induction and orientation. It's setting expectations, building relationships, and providing support for employees to perform at their best.

Top tips for a great employee onboarding experience

A great employee onboarding experience makes all the difference. Here are five tips to set your employee up for success from day one:

- 1. Start early:** Make sure everything's ready before their first day.
- 2. Make it personal:** Adding a personal touch to the employee onboarding experience can make your new employee feel valued.
- 3. The little things count:** From where the lunch area is to how to use the printer, providing your new employee with all the information they need – no matter how small – will help them succeed.
- 4. Clarity is key:** Give them a clear roadmap of how they can succeed at their job.
- 5. Constant communication:** Let them know you're always available to answer any questions, lend a helping hand, or even just for a casual chat.



Employee onboarding

Employee onboarding made easy with these checklists

Getting an employee on board can mean working through lots of to-do items. We've made a few handy checklists to make the process easier for you.

Checklist 1: New employee forms

You'll need certain details from your new employee before you can pay them, and also for record keeping and as required by law.

These employment forms can include:

- ☐ Tax declaration or withholding forms
- ☐ Retirement or superannuation deduction forms
- ☐ New hire reports

Checklist 2: Before the first day

Employee onboarding begins before your new hire's first day at work. Here are some key tasks to complete before your employee starts.

Documents you'll need

- ☐ A copy of any licence required for the job (for example, a driver's licence or forklift licence)
- ☐ For non-citizens, a copy of their working visa
- ☐ A copy of a recent [P45 form](#) (if your employee has one)

Set up their personnel records

- ☐ Salary record or wage and time record
- ☐ Leave and holiday record

Employee details you'll need

- ☐ Full name, address, contact number, and email address
- ☐ Emergency contact details
- ☐ Any special medical needs
- ☐ Bank account details (if this is the method of payment for salary or wages)

Details to provide to your employee

- ☐ Any documents that can be read beforehand, such as training materials, code of conduct, and information about work hours, break times, benefits, and holidays and leave
- ☐ Where to go and who to ask for on day one
- ☐ The dress code
- ☐ Tools, equipment, or other materials they'll need to bring

Employee onboarding

Logistics

- ☐ Give them keys, an access card, or anything they'll need to enter your workplace
- ☐ Set up their workstation and any equipment they'll need
- ☐ Organise time for key team members to meet them
- ☐ Make sure any special medical needs are met

Checklist 3: Employee onboarding on the first day and week

Employee onboarding doesn't have to all be done on an employee's first day. Too much information can be overwhelming, so try to space it over a few days or a week.

Make your employee welcome and get them set up

- ☐ Think about how to make them feel welcome; have morning tea to celebrate them starting or organise a lunch to introduce them to the team
- ☐ Make it a positive first day experience with a personal touch like a welcome card on their desk or a welcome package containing sweet treats and other goodies
- ☐ Give them any tools or equipment they need and show them how to use it
- ☐ Show them how to log in, set up, or access any resources they need

Show them around your workplace

- ☐ Organise a tour of the workplace, including facilities and amenities like the kitchen, toilets, and lockers
- ☐ Give them a health and safety briefing

Help your employee become fully engaged with your business

- ☐ Give them a snapshot of the history of your business
- ☐ Educate them about your customers and your products or services
- ☐ Share the company's culture and values

Help them become successful at their job

- ☐ Explain why your employee's role is important and how it fits into your business
- ☐ Go over the specifics of the job, including a clear explanation of duties and responsibilities and any expectations that need to be set from day one
- ☐ Describe any goals they need to meet

Employee onboarding

Let your employee in on the inner workings of your business

Ensure your employee understands the following:

- ☐ Workplace policies and practices
 - ☐ The pay process
 - ☐ The performance review process
 - ☐ The trial or probation period
 - ☐ Any employee benefits and perks
 - ☐ The process for resolving employee problems
-

Checklist 4: After the first day

Check on your new employee for the first few days and weeks.

- ☐ Chat with them regularly to see how they're going, answer any questions they have, and address any difficulties they're experiencing
 - ☐ Assign them a buddy, partner, or mentor who can help them get acquainted with the role
-

6

**Run payroll for
your employees**

Run payroll for your employees

Getting payroll right is essential. Paying your employees on time and at the agreed rate is important to maintaining a productive relationship. It's also a legal requirement. Let's take a look at the payroll process.

First, what is payroll?

Payroll is a list of your employees and the total amount of money you pay them. It includes salaries or wages, bonuses, allowances, and benefits. Deductions such as tax are also part of payroll.

Three ways to run payroll for employees

1. Spreadsheets or pen and paper

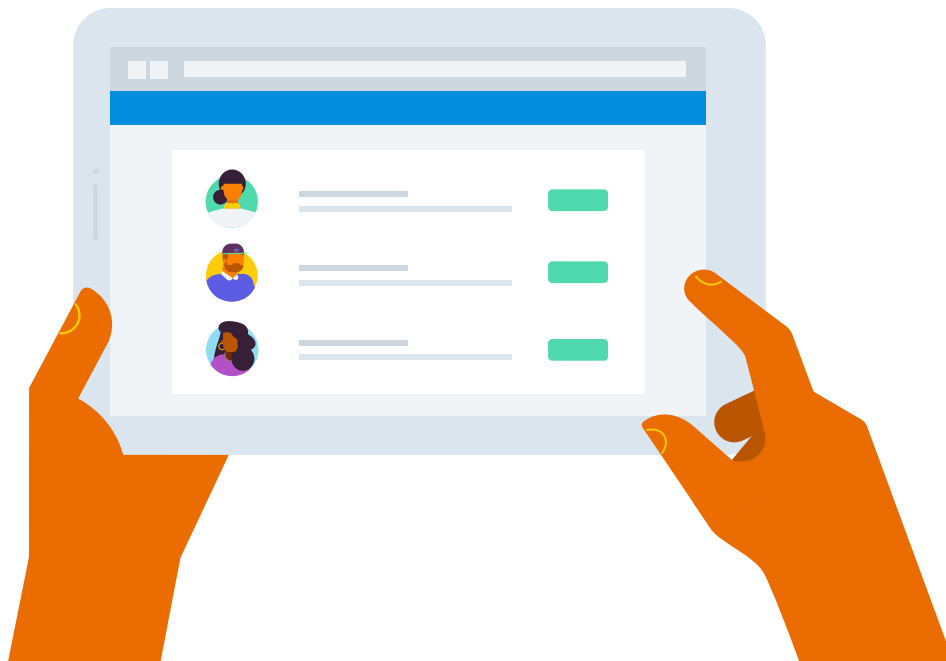
These methods are free, but they'll cost a lot of time as you hire more people. Check that your local government agencies will accept these documents for tax reporting – as some won't.

2. Outsource to a specialist

Professionals know the ins and outs of deductions and will help keep you onside with the tax office. But of course they cost more money, and you'll need to communicate regularly about employee changes.

3. Online payroll software

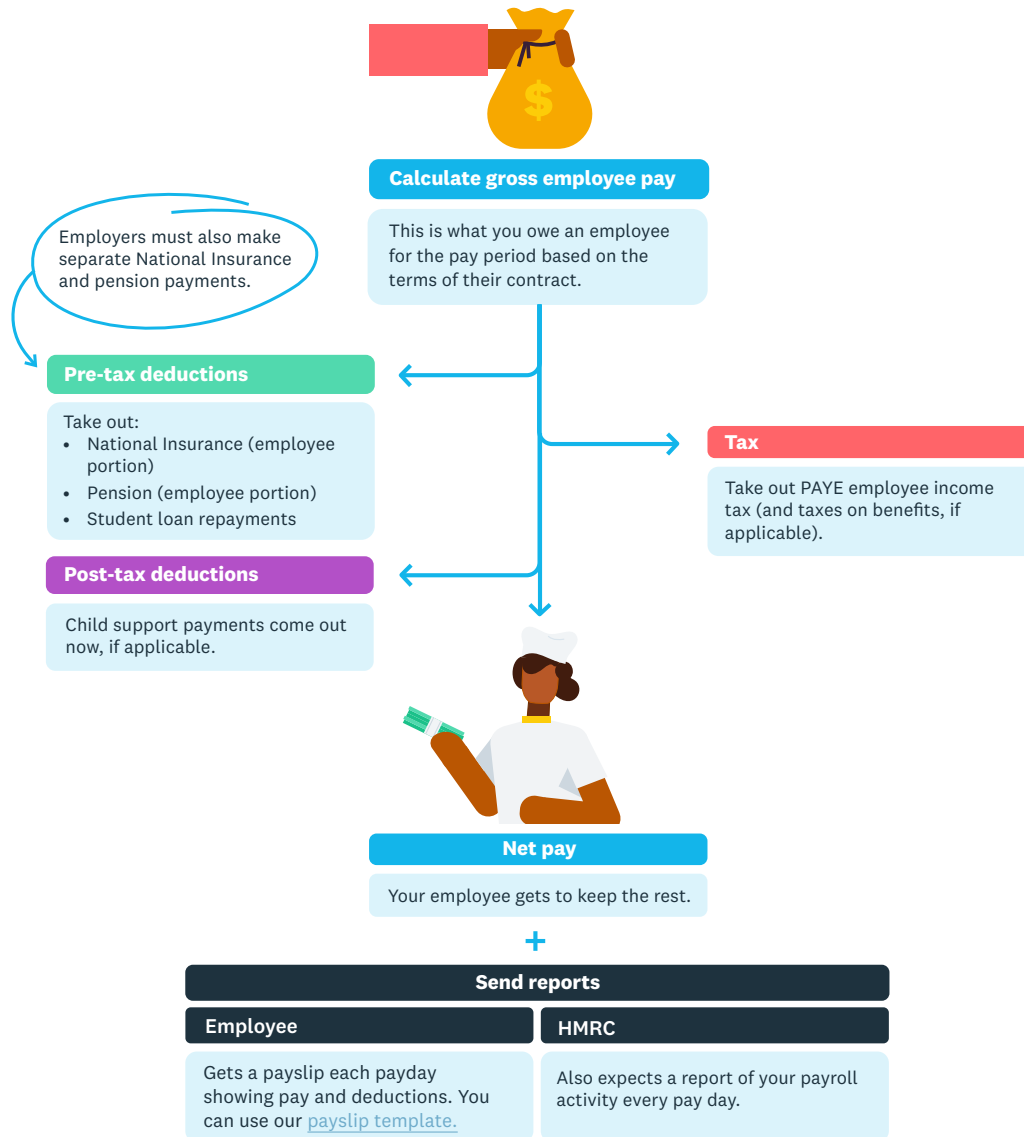
Software packages can work out pay and deductions for each employee, then create payslips, and reports for tax authorities.



Run payroll for your employees

How to run payroll – from start to finish

Use this flowchart to see how to keep your business transactions separate from your payroll transactions and hold funds for taxes, deductions, and other payroll-related items.



After running payroll

- Send a report to the tax office saying what you paid your employees and what you deducted from that pay.
- Ensure all deductions, including taxes, go to their rightful places.
- Keep a secure record of the pay run for at least three years, even if your employee has left.

How to keep all the money straight

Employers handle a lot of cash on behalf of their employees and the tax office. It's a good idea to have

a separate bank account for this. A payroll account will mean you're less likely to spend someone else's tax or retirement money accidentally.

Handy payroll website

You can also check out the gov.uk pages on [payroll for employers](#) and [running payroll](#).

Already have Xero Payroll? Get tips on [how to use Xero Payroll](#).



Manage employee evaluations

Managing employee evaluations

As a small business owner, it feels good to have an employee or two, or an entire team behind you. You can rely on them to get things running smoothly and support you in growing your business.

But your employees need your support too. They need to know if they're on the right track to achieving the goals you set out for them when they started. They also need to know what they're doing well and the areas they can improve on. Employee evaluations help with that.

What is an employee evaluation?

Employee evaluations, also known as employee performance reviews or employee performance appraisals, are a way to assess each employee's performance. They help you get the best out of your employees by giving them feedback on what they did well and how they can perform better.

When to do employee evaluations

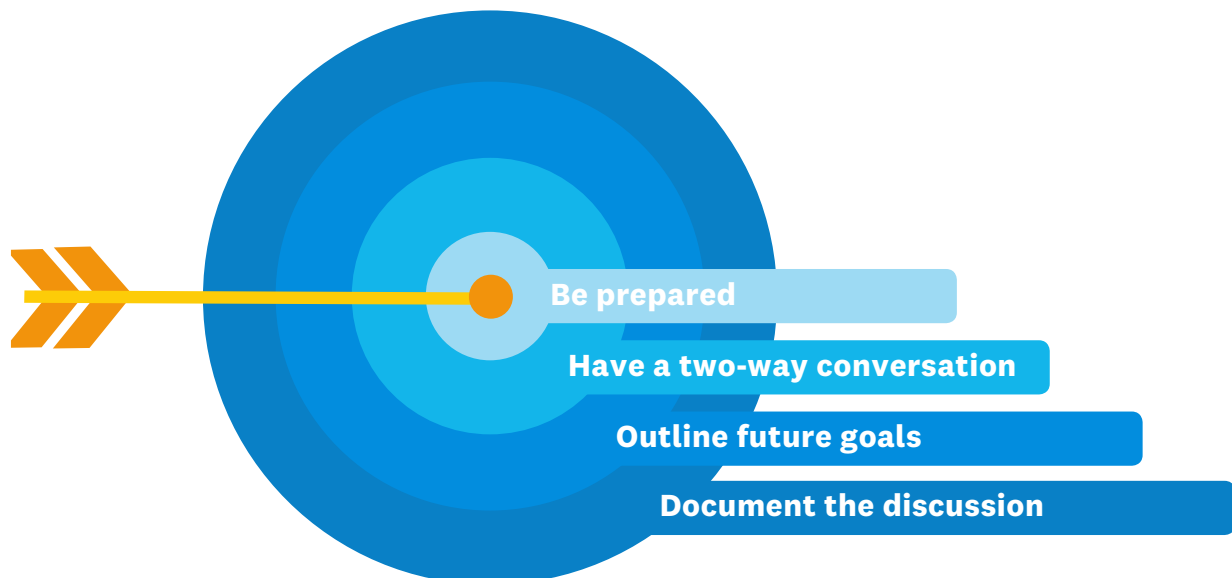
Employee evaluations are usually done once a year, either at the end of the year or at an employee's work anniversary. But it's good practice to do it more often, such as once every two months or quarterly.

It's better to give employees ongoing feedback on their performance rather than meeting with them only once or twice a year.

Employee evaluation in action

An employee evaluation is an ongoing process that takes reflection and careful judgement. It's about listening and providing constructive feedback. It's also about giving employees the opportunity to grow in their job rather than dwelling on past mistakes.

Here's what you need to do when evaluating employees.



Managing employee evaluations

Be prepared

Schedule each employee evaluation in advance so you and your employee have enough time to prepare for it. Look at your employee's job description and notes you've taken during your regular check-ins. Get feedback from their manager, teammates, or even customers they've interacted with.

Ask your employee to complete the same employee review form beforehand to assess their own performance.

Use this sample employee review form to help you organise your thoughts:

Employee review form

Anna Clark Cake Decorator DD-MM-YYYY

Successes

- **Anna nails it when it comes to bringing customers' cake design ideas to life.** Based on feedback from customers, Anna designs cakes according to what they want, and suggests additional decorative details to improve cake designs.
- **Anna has excellent customer service skills.** Customers have said that she makes them feel comfortable and attends to their needs.
- **Anna makes good use of her time and works efficiently.** She gets cake decoration done on time for delivery to customers. She also works well under pressure, getting multiple cake designs done on busy days.

Areas to improve

- **On several occasions, Anna didn't clear baking equipment from the bench.** When it was cleared, items weren't washed or cleaned properly. Getting these tasks done at the end of the day saves time for the next work day and effort for other bakers using the equipment.
- **In several instances, Anna forgot to check stock levels,** resulting in a scramble to stock up on ingredients. Doing this task at the start of the day ensures that we always have ingredients on hand when we need them, and we can finish baking according to deadline.
- **Anna: I'd like to improve on my design and decorating skills.** I'd like to learn advanced techniques and new design ideas.

Challenges

- **Anna: I'm not used to clearing and cleaning equipment,** checking stock levels, and ordering ingredients because someone else did this in my previous job.

Goals

1. Learn advanced techniques for designing and decorating cakes. You can spend three hours each week for learning online. We'll also look into training courses for you, allow you to take time off for training, and fund one or more courses.
2. Clean and clear baking equipment at the end of your shift. Our headbaker will put a reminder in your workspace, and you can include this in your task list.
3. Check stock levels and order ingredients at the start of your shift. Include this in your task list.

Notes

Anna has agreed to create a task list for herself to remind her of the tasks she needs to do at the start and end of her shift.

Anna, the head baker and Gina have discussed the contents of this employee review form. We all agree on Anna's goals and our roles in achieving them. We'll check in on these goals during our regular catch-ups.

Employee name, job title, and date of evaluation

Strengths, achievements, goals met or exceeded

Goals not met, opportunities for improvement

Issues or difficulties

Make sure each goal is SMART: specific, measurable, achievable, realistic, time-based

Discussion notes, important information, details agreed on

Managing employee evaluations

Encourage a two-way conversation

Ask for the employee's ideas and input into successes, improvements, challenges and job satisfaction.

Recognise their efforts and focus on how they can do better. Give them feedback they can act on and steer them to the right information. Try to remove any bias and focus on the complete picture of their performance.

Outline future goals

Set achievable goals for your employee and give them a say on what their goals need to be. Go back and update their goals during each employee evaluation; and in your regular catch-ups, check to make sure they're on track.

This is also the time to have an honest and open discussion about pay and promotion. Talk to your employees about any pay increases or bonuses and how they can move to another role or position.

Document the discussion

Take notes during your discussion and write down everything you've agreed on. Share these notes and other documents with your employee to remind them about their goals and remind you about what you need to do to help them. You'll also use them as a starting point for the next employee evaluation.

Regular feedback and recognition

In addition to evaluations, catch up with your employees weekly, every two weeks, or monthly. Talk about what they're currently working on and address any issues or challenges they're facing. Don't wait until the employee evaluation to raise any issues.

Thank your employee for anything they've done that goes above and beyond what you would expect. Reward them for their success, even if it's something small such as a thank you note, buying them a cup of tea, or mentioning them in your next team meeting. A little positive reinforcement goes a long way.

8

**Where to next?
Tools and guides
for your business**

Now that you're an employer, you want to strengthen the financial side of your business. Xero's got resources and solutions to help.

Free resources for small businesses

Guides

Handy tips and tricks to help you in your new life as a business owner.

[Read guides](#)

Payroll white paper

Find out why online payroll software is becoming so popular with small business owners.

[Read the white paper](#)

Payslip template

Create a professional and simple payslip for your employees

[Get your template](#)

Tech solutions for small businesses

Xero accounting software

You'll be surprised by how much of your financial admin can be automated.

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